

Section 3

Our 21st Century Workforce

Chart 1.

Workforce Demographic Highlights: Federal Civilian Workforce vs. DOL ¹				
	Fed		DOL	
Status & Location				
Full Time	93.6%		94.9%	
Permanent part-time	3.5%		3.4%	
Temporary	2.9%		1.7%	
% in DC area	15.8%		32.9%	
Diversity				
	All	Sup ²	All	Sup ²
Women	45.0%	30.2%	50.4%	32.8%
Minority	30.4%	19.1%	35.3%	20.8%
Asian/Pacific Islander	4.5%	3.1%	3.8%	1.7%
Black	17.1%	9.8%	23.8%	13.1%
Hispanic	6.6%	4.8%	6.9%	5.1%
Native American	2.2%	1.4%	0.7%	0.9%
Veterans' Preference (excludes DOD)				
Disabled	19.2%		19.0%	
Targeted Disabilities	7.1%		6.7%	
Education/Experience				
Bachelor's or higher	40.5%		59.6%	
MBA degree	0.9%		1.4%	
Supervisors/managers	11.1%		13.1%	
Average Grade	9.5		11.0	
Avg. Length of Service	17.1		15.7	
Age				
Average Age	46.3		45.1	
Less than 30 years	4.7%		9.5%	
30-39 years	21.2%		20.9%	
40-49 years	36.0%		32.4%	
At least 50 years	38.1%		37.3%	

DOL's WORKFORCE DEMOGRAPHIC COMPOSITION

DOL's workforce includes the following key demographics:

- ▶ Total employment for DOL at the end of FY 2002 was 16,112. Of that number, 63.9 percent were in mission-critical occupations³ and 94.9 percent were permanent, full-time workers.
- ▶ DOL's workforce is slightly younger (45.1 years) than the Federal civilian workforce (46.3 years).
- ▶ DOL has made progress in developing a diverse workforce, and representation rates for women and minorities exceed those for the Federal government as a whole.

Comparing DOL to the total civilian labor force (CLF),⁴ progress continues to be made, particularly in the recruitment of Asian/Pacific Islanders, whose representation rate has risen to 4.0 percent as of the end of FY 2003, exceeding the 3.8 percent rate for the CLF.

Representation rates for women and blacks also exceed those for the CLF. Hispanics remain under-represented in the Federal and DOL workforce in comparison to the CLF.

¹ Data for DOL reflect the full-time permanent workforce at the end of FY 2002. Data for the Federal civilian workforce reflect conditions as of the end of FY 2001.

² Supervisors include all managers in grades 13 through SES.

³ Mission-critical occupations are occupations identified by DOL's agencies as making essential contributions to accomplishing a program mission.

⁴ The CLF includes employed and unemployed persons not on active duty in the armed forces. As of the year 2000, CLF rates for major groups were as follows: 46.6 percent women, 11.2 percent Black, 11.8 percent Hispanic, and 0.9 percent Native American/Alaskan Native.

- ▶ Compared with the Federal civilian workforce, DOL's workforce is more educated (59.6 percent have at least a bachelor's degree, compared with 40.5 percent for the Federal civilian workforce), and more concentrated in professional and administrative occupations (82 percent compared with 55.1 percent).

TRENDS

Turnover⁴ trends, FY 1998 to FY 2002:

- ▶ Between FY 1998 and FY 2002, DOL's turnover rate hovered around 7 percent a year. In FY 2002, turnover was higher (7.7 percent) in response to early retirements offered, which pushed the retirement rate to 4.4 percent (double the rate from the previous year). The turnover rate for DOL's mission-critical occupations was similar to DOL's overall rate (7.1 percent a year from FY 1998 to FY 2002).
- ▶ On average, DOL hired about 1,300 employees per year from FY 1998 through FY 2002, a hire rate of 8.3 percent per year.⁵

Projected turnover trends, FY 2003 to FY 2008:

- ▶ DOL projects retirements will increase gradually from 2.9 percent in 2003 to 3.6 percent in 2008. Total DOL turnover (including retirements and other separations) also is projected to increase gradually from 7.0 percent to 7.7 percent.
- ▶ Turnover trends for all mission-critical occupations mirror those for DOL overall.
- ▶ Turnover varies significantly among particular mission-critical occupations. Economists, mine safety and health specialists, computer specialists, and criminal investigators have an average turnover rate of less than 5 percent a year. Average turnover rates for workers' compensation specialists and

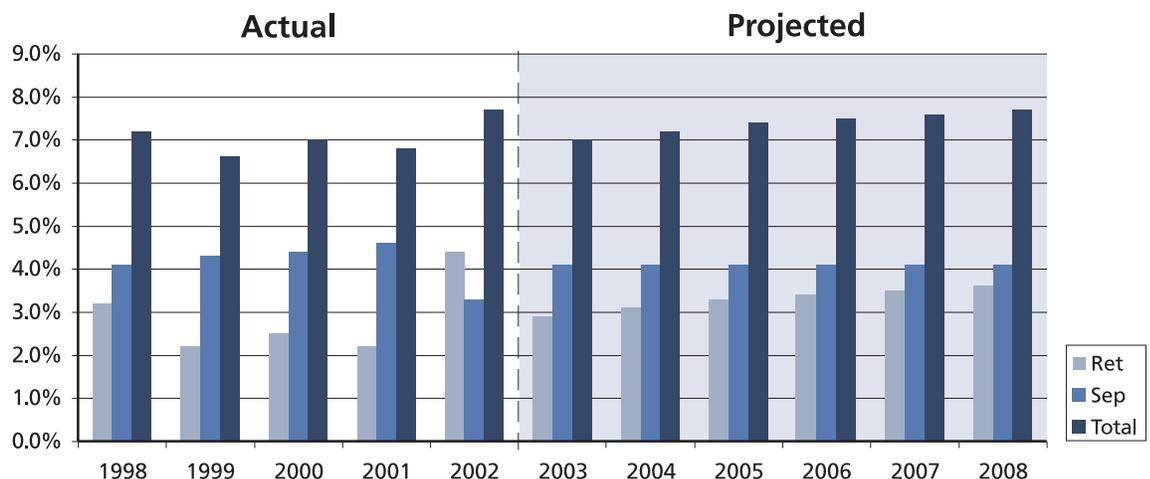
mining engineers exceed 10 percent a year.

- ▶ DOL's ability to retain new employees in mission-critical occupations also varies. Accountants, pension law specialists, criminal investigators and equal opportunity specialists have three-year retention rates of about 60 percent.⁶ Some mission-critical occupations have three-year retention rates above 85 percent (safety specialists, unemployment insurance program specialists, manpower development specialists and mine inspectors).
- ▶ DOL anticipates that current hiring levels of 8.3 percent will be sufficient to meet the projected turnover.

Chart 2 shows separation rates for employees in mission-critical occupations

Chart 2.

Actual and Projected Separation Rates for Mission-Critical Occupations FY 1998 - FY 2008



⁴ Turnover is measured as the number of separations (retirements, resignations, removals, etc.) during a fiscal year, divided by the total number of DOL employees at the beginning of that fiscal year.

⁵ Hires include transfers from other Federal agencies, but do not include personnel movement among DOL agencies.

⁶ "Three-year retention rate" refers to the percentage of new employees still employed at DOL after three years.

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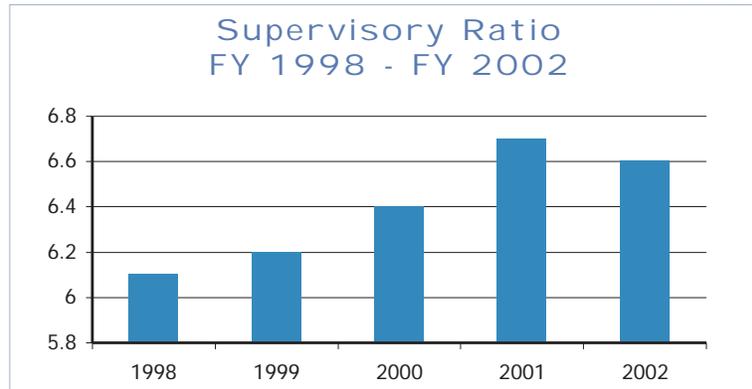
for FY 1998 through FY 2002,⁷ as well as projected separation rates for FY 2003 through FY 2008. In projecting non-retirement separations, DOL assumed the separations would follow the average for the past five years. (Note: after rising for several years, the non-retirement separation rate declined in FY 2002, apparently influenced by external economic conditions.)

supervisors increased from 5 in FY 1992 to more than 6.1 by FY 1998. The ratio of employees to supervisors continued to increase

In general, when compared with rates for non-managers, manager retirement rates are higher and non-retirement separation rates are lower. During the past five years,

managers retired at an average rate of 4.5 percent a year, while other separations for managers were only 2 percent a year. The higher retirement rate for managers reflects the fact that an increasing proportion of managers are becoming eligible to retire. Chart 4 summarizes separation rates for managers and non-managers.

Chart 3.



Managerial Trends

From 1992 through 1998, the number of supervisors at DOL decreased significantly, while the number of non-supervisors increased slightly. As a result, the ratio of employees to

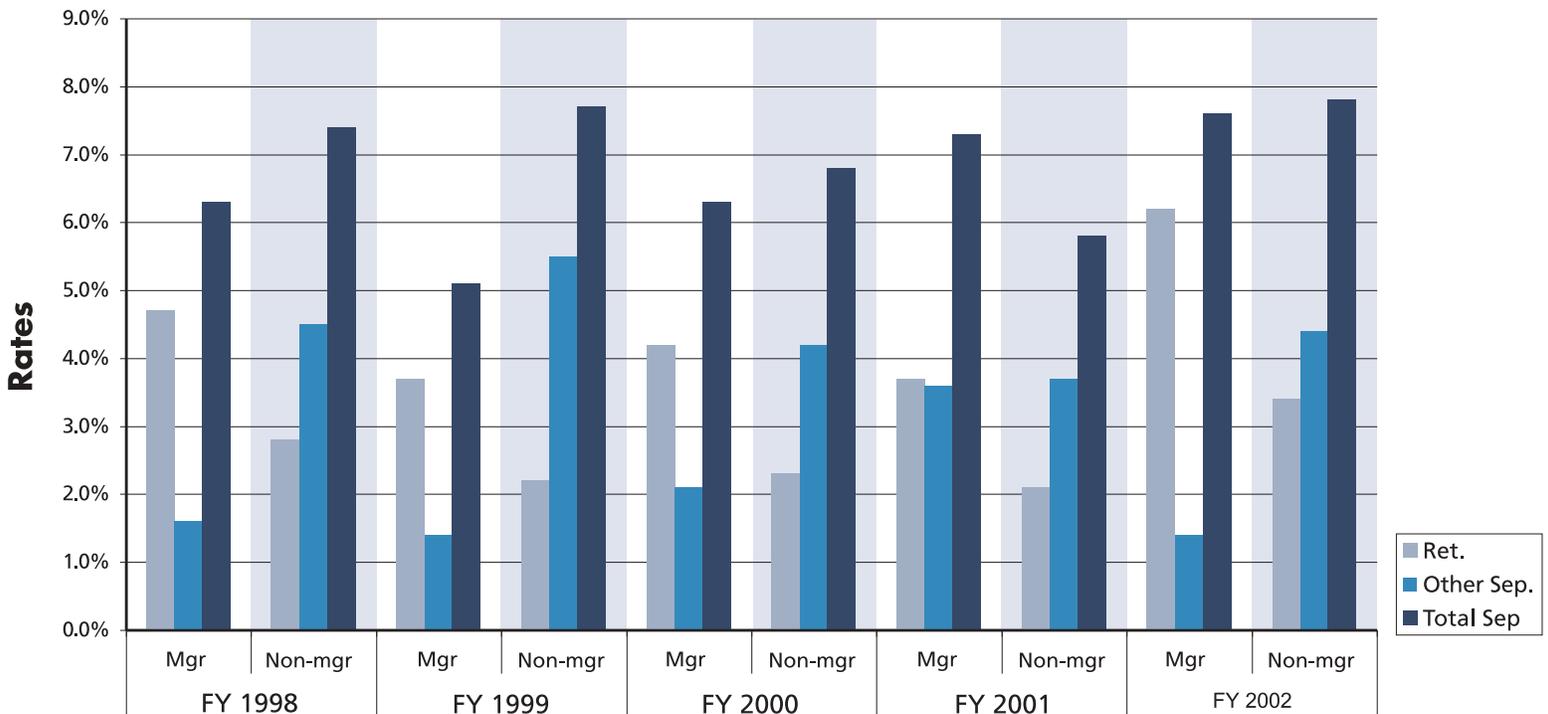
supervisors increased slightly in the last year, reducing the supervisor/employee ratio to 1:6.6 for FY 2002.

during the next three years, reaching a high of 6.7 in FY 2001 (see Chart 3). The number of supervisors has increased slightly

in the last year, reducing the supervisor/employee ratio to 1:6.6 for FY 2002. During the next five years, 54.3 percent of DOL managers in GS grades 13-15, and 63.5 percent in the Senior Executive Service,

Chart 4.

Separations for Managers and Non-Managers



⁷ Retirement rates for FY 2002 are atypically high due to the early retirements offered that year.

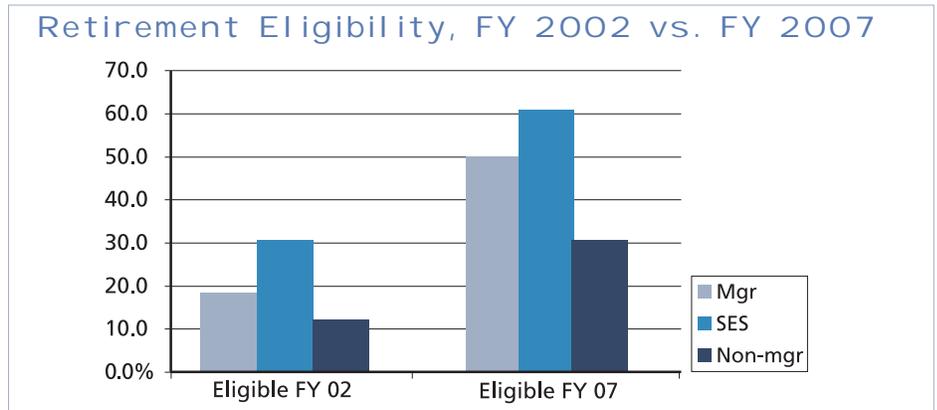
will be eligible to retire, compared with only 32.8 percent of non-managers. Assuming managers continue to retire at the same rate as in the past five years (FYs 1998-2002), at least 435 managers and SES can be expected to retire by the end of FY 2007, out of a total of 1,164 managers that will be eligible to retire during that time. Retirement eligibility for managers, Senior Executives, and non-managers are compared in Chart 5.

SKILLS ASSESSMENT FOR THE 21ST CENTURY

DOL's 21st Century workforce will require the development of new skills. This is a critical concern in DOL's human capital planning efforts. Currently, DOL is conducting a complete evaluation of current and future skills necessary for mission-critical occupations. The following applies to most DOL mission-critical occupations:

- ▶ The loss of historical/institutional knowledge due to management retirements will leave gaps in the knowledge, skills, and abilities of DOL's workforce.
- ▶ When compared with historical program enforcement efforts, DOL's shift toward compliance assistance and consulting requires stronger communication and analysis skills and a deeper knowledge of DOL programs.

Chart 5.



- ▶ Almost all occupations will require more information technology skills.
- ▶ Employees need retraining and higher skill levels in order to keep up with technology improvements and program changes. These workplace advances will alter job structures and descriptions. For example, manual clerical processes will continue to be replaced by technology-based methods.
- ▶ Employees need new knowledge and skills in order to understand technological changes in the industries DOL regulates.
- ▶ More employees need project management skills to manage increasing workloads from competitive sourcing projects and information technology activities. ■

Strategic Conclusions

- ▶ The gradual rise in DOL-wide turnover most likely will not present a significant problem for DOL, as current hiring rates should meet the demand for employees. However, special attention is needed in occupations with relatively high three-year turnover rates.
- ▶ Turnover among managers will be significant; DOL needs effective succession planning and knowledge management programs.
- ▶ In order to meet the challenges of the 21st Century, DOL needs employees with 21st Century skills. DOL needs forward-looking competency-based training and recruitment programs in order to hire and train skilled employees.
- ▶ Technology developments will continue to change the skills DOL's employees need.